

EXHIBIT 11



January 10, 2014

VIA FEDERAL EXPRESS

Scott Yon, Chief
Vehicle Integrity Division
Office of Defects Investigation
U.S. Department of Transportation
National Highway Traffic Safety Administration
1200 New Jersey Avenue, S.E.
Washington D.C. 20590

Received by ODI
Jan. 13, 2014
ER

Re: Preliminary Evaluation (PE13-035)
Panorama Sunroof Option (MY) 2011-2013 Kia Sorento

Dear Mr. Yon:

This letter is submitted in response to your IR letter dated October 24, 2013 sent to Hyundai-Kia America Technical Center, Inc. ("HATCI") (Reference NVS-212eer/PE13-035). As you know from HATCI's regular correspondence with National Highway Traffic Safety Administration, HATCI is an organization independent of both Kia Motors Corp. ("KMC") and Kia Motors America, Inc. ("KMA"), but it has been designated by those organizations to act as their communication liaison with the NHTSA. This response is submitted to NHTSA by HATCI in that limited role. That is, HATCI is providing the information and documents which are in Kia's possession, custody or control and were collected by Kia for transmission to NHTSA.

That IR letter requested information regarding the allegations of the sunroof shattering in model year (MY) 2011-2013 Kia Sorento vehicles equipped with a panorama sunroof option. The responsive information in this letter responds completely to that request. However, the IR letter defined "subject vehicle" to also include a non-Kia vehicle, the 2011-2013 Hyundai Santa Fe, and it also defined "Kia" to include Hyundai Motor Company and its Subsidiaries and affiliated enterprises, including Hyundai Motor America. As stated to you in my email of December 6, 2013, Kia requested that you withdraw your request for information from another manufacturer, Hyundai. To the extent that this request has not yet been granted, Kia objects to providing any information or documents from Hyundai Motor Company, Hyundai Motor America, et al., or the Hyundai Santa Fe.

This is a formality in some sense, since Kia does not maintain possession, custody or control of information and documents related to the Hyundai Santa Fe or the Hyundai companies which manufacture that vehicle. However, it is also legally important that, under U.S. law, a party may be required to produce documents only when such documents are in the party's possession, custody or control. See Fed. R. Civ. P. 34(a) and 45(a); *In re Citric Acid Litig.*, 191 F.3d 1090, 1107 (9th Cir. Cal. 1999). A party has control of documents in the possession of a third party only when that party has a

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HATCI is an authorized representative of both Hyundai Motor Company and Kia Motors Corporation; which are separate and distinct automotive manufacturers.

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legal right to obtain documents from it upon demand. *Id.* Neither KMC nor KMA have any legal right to demand information and documents from Hyundai Motor Company or other Hyundai entities, let alone from Hyundai Motor America, which is a direct marketplace competitor of KMA in the United States.

Thus, for clarity, I am restating that the following information and accompanying documents are intended to provide complete responses from Kia regarding the 2011-2013 Kia Sorento.

REQUEST NO. 1:

State, by model and model year, the number of subject vehicles Kia has manufactured for sale or lease in the United States. Separately, for each subject vehicle manufactured to date by Kia, state the following:

- a. Vehicle Identification number (VIN);
- b. Make;
- c. Model;
- d. Model Year;
- e. Date of manufacture;
- f. Date warranty coverage commenced; and
- g. The State in the United States where the vehicle was originally sold or leased (or delivered for sale or lease).

Provide the table in Microsoft Access 2010, or a compatible format, entitled "PRODUCTION DATA."

RESPONSE TO REQUEST NO. 1:

Below is a table identifying the total number of 2011-2013 MY Sorento vehicles manufactured with panorama sunroofs for sale in the United States.

Model Year	Vehicle Production
2011	25,593
2012	20,995
2013	18,759
TOTAL	65,347

A listing of all 2011-2013 Kia Sorento vehicles with panorama sunroofs is provided on a Data Collection Disc under the category "PRODUCTION DATA" and submitted contemporaneously with this response.

REQUEST NO. 2:

State the number of each of the following, received by Kia, or of which Kia is otherwise aware, which relate to, or may relate to, the alleged defect in the subject vehicles:

- a. Consumer complaints, including those from fleet operators;

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- b. Field reports, including dealer field reports;
- c. Reports involving a crash, injury, or fatality;
- d. Property damage claims; and
- e. Third-party arbitration proceedings where Kia is or was a party to the arbitration; and
- f. Lawsuits, both pending and closed, in which Kia is or was a defendant or codefendant.

For subparts “a” through “f,” state the total number of each item (e.g., consumer complaints, field reports, etc.) separately. Multiple incidents involving the same vehicle are to be counted separately. Multiple reports of the same incident are also to be counted separately (i.e., a consumer complaint and a field report involving the same incident in which a crash occurred are to be counted as a crash report, a field report and a consumer complaint).

In addition, for items “c” through “f,” provide a summary description of the alleged problem and causal and contributing factors and Kia’s assessment of the problem, with a summary of the significant underlying facts and evidence. For items “e and “f,” identify the parties to the action, as well as the caption, court, docket number, and date on which the complaint or other document initiating the action was filed.

RESPONSE TO REQUEST NO. 2:

- a. Consumer Communications—75
- b. Field Reports—20
Technical Assistance Reports—28
- c. Reports involving crash, injury, or fatality caused by possible defect—14 minor injury claims
- d. Property Damage Claims—6
- e. Third Party Arbitrations—0
- f. Lawsuits—0

Kia’s search has identified a total of 87 unique VINs relating to the alleged vehicle complaints. Kia’s search included all files through October 31, 2013 which included the words “roof” and “broke” or “break”; “roof” and “shatter”; and “roof” and “explode” or “explos”. The results were then reviewed to identify those items which related, or may relate to the alleged defect as described in your letter. The summary description for “c-f” is under Kia Assessment in the REQUEST NUMBER TWO DATA file on the Data Collection Disc submitted with this response.

REQUEST NO. 3:

Separately, for each item (complaint, report, claim, notice, or matter) within the scope of your response to Request No. 2, state the following information:

- a. Kia’s file number or other identifier used;

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- b. The category of the item, as identified in Request No. 2 (i.e., consumer complaint, field report, etc.);
- c. Vehicle owner or fleet name (and fleet contact person), address, and telephone number;
- d. Vehicle's VIN;
- e. Vehicle's make, model and model year;
- f. Vehicle's mileage at time of incident;
- g. Incident date;
- h. Report or claim date;
- i. Whether the vehicle was in motion at the time of incident;
- j. Whether the sunroof was open or closed at the time of incident;
- k. Whether the sunroof shade was open or closed at the time of incident;
- l. Whether a crash is alleged;
- m. Whether property damage is alleged;
- n. Number of alleged injuries, if any; and
- o. Number of alleged fatalities, if any.

Provide this information in Microsoft Access 2010, or a compatible format, entitled "REQUEST NUMBER TWO DATA."

RESPONSE TO REQUEST NO. 3:

A listing of all responsive communications is provided on a Data Collection Disc under the category "REQUEST NUMBER TWO DATA."

REQUEST NO. 4:

Produce copies of all documents related to each item within the scope of Request No. 2. Organize the documents separately by category (i.e., consumer complaints, field reports, etc.) and describe the method Kia used for organizing the documents.

RESPONSE TO REQUEST NO. 4:

Copies of the documents identified in response to Request No. 2 are submitted with this letter. See Tab A. They are organized by the following categories.

- Consumer Affairs department files from KMA's department database (75)
- Field Reports (20)
- Technical Assistance Reports (28)

REQUEST NO. 5:

State, by model and model year, a total count for all of the following categories of claims, collectively, that have been paid by Kia to date that relate to, or may relate to, the alleged defect in the subject vehicles: warranty claims; extended warranty claims; claims for good will services that were provided; field, zone, or similar adjustments and reimbursements; and warranty claims or repairs made in accordance with a procedure specified in a technical service bulletin or customer satisfaction campaign.

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Separately, for each such claim, state the following information:

- a. Kia's claim number;
- b. Vehicle owner or fleet name (and fleet contact person) and telephone number;
- c. VIN;
- d. Repair date;
- e. Vehicle mileage at time of repair;
- f. Repairing dealer's or facility's name, telephone number, city and state or ZIP code;
- g. Labor operation number;
- h. Problem code;
- i. Replacement part number(s) and description(s);
- j. Concern stated by customer; and
- k. Comment, if any, by dealer/technician relating to claim and/or repair.

Provide the table in Microsoft Access 2010, or a compatible format, entitled "WARRANTY DATA."

RESPONSE TO REQUEST NO. 5:

The 2011 Kia Sorento with panorama sunroof was first produced for sale in the United States beginning October 25, 2009. A total of 78 warranty claims have been received by KMA through October 31, 2013 for the 2011-2013 Sorento. A total of 23 goodwill claims approved through the Consumer Affairs department have been received through this same 5 year period (October 25, 2009 through October 31, 2013). A listing of the responsive warranty and goodwill claims is provided on a Data Collection Disc under the category "WARRANTY DATA 1 and WARRANTY DATA 2."

REQUEST NO. 6:

Describe in detail the search criteria used by Kia to identify the claims identified in response to Request No. 5, including the labor operations, problem codes, part numbers and any other pertinent parameters used. Provide a list of all labor operations, labor operation descriptions, problem codes, and problem code descriptions applicable to the alleged defect in the subject vehicles. State, by make and model year, the terms of the new vehicle warranty coverage offered by Kia on the subject vehicles (i.e., the number of months and mileage for which coverage is provided and the vehicle systems that are covered). Describe any extended warranty coverage option(s) that Kia offered for the subject vehicles and state by option, model, and model year, the number of vehicles that are covered under each such extended warranty.

RESPONSE TO REQUEST NO. 6:

Kia searched for all repair/replacement warranty claims through October 31, 2013 for the front and rear glass panel assemblies and frame assemblies. That data was then reviewed and claims that either related or could relate to the alleged defect has been provided. Kia also searched for all goodwill claims approved through KMA's Consumer Affairs Department relating to the alleged defect.

Codes Used. In your letter you requested that Kia provide its "problem code" information. Kia refers to the "problem code" as the "cause code" which carries a letter "C" which reflects the technician's evaluation of the cause of the problem. You also requested that Kia provide information regarding the

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“concerns stated by the customer.” Kia’s code chart refers to these as “condition codes,” but they are commonly referred to as “nature codes,” and carry the “N” designation. These reflect the service writer’s or technician’s understanding of the customer’s information.

A copy of KMA’s coding sheet for warranty claims is submitted with this response. See Tab B.

The 2011-2013MY Sorento vehicles have a 5 year, 60,000 mile basic warranty. No extended or additional warranties were provided to Kia customers.

REQUEST NO. 7:

Produce copies of all service, warranty, and other documents that relate to, or may relate to, the alleged defect in the subject vehicles, that Kia has issued to any dealers, regional or zone offices, field offices, fleet purchasers, or other entities. This includes, but is not limited to, bulletins, advisories, informational documents, training documents, or other documents or communications, with the exception of standard shop manuals. Also include the latest draft copy of any communication that Kia is planning to issue within the next 120 days.

RESPONSE TO REQUEST NO. 7:

A copy of the communication sent to the regional offices advising them of KMA’s investigative efforts is attached. See Tab C.

REQUEST NO. 8:

Describe all assessments, analyses, tests, test results, studies, surveys, simulations, investigations, inquiries and/or evaluations (collectively, “actions”) that relate to, or may relate to, the alleged defect in the subject vehicles that have been conducted, are being conducted, are planned, or are being planned by, or for, Kia. For each such action, provide the following information:

- a. Action title or identifier;
- b. The actual or planned start date;
- c. The actual or expected end date;
- d. Brief summary of the subject and objective of the action;
- e. Engineering group(s)/supplier(s) responsible for designing and for conducting the action;
and
- f. A brief summary of the findings and/or conclusions resulting from the action.

For each action identified, provide copies of all documents related to the action, regardless of whether the documents are interim, draft, or final form. Organize the documents chronologically by action.

RESPONSE TO REQUEST NO. 8:

The actions in response to this request are attached. See Tab D.

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REQUEST NO. 9:

Describe all modifications or changes made by, or on behalf of, Kia in the design, material composition, manufacture, quality control, supply, or installation of the subject component, from the start of production to date, which relate to, or may relate to, the alleged defect in the subject vehicles. For each such modification or change, provide the following information:

- a. The date or approximate date on which the modification or change was incorporated into vehicle production;
- b. A detailed description of the modification or change;
- c. The reason(s) for the modification or change;
- d. The part number(s) (service and engineering) of the original component;
- e. The part number(s) (service and engineering) of the modified component;
- f. Whether the original unmodified component was withdrawn from production and/or sale, and if so, when;
- g. When the modified component was made available as a service component; and
- h. Whether the modified component can be interchanged with earlier production components.

Also, provide the above information for any modification or change that Kia is aware of which may be incorporated into vehicle production within the next 120 days.

RESPONSE TO REQUEST NO. 9:

There have been no modifications responsive to this request.

REQUEST NO. 10:

State the number of each of the following that Kia has sold that may be used in the subject vehicles by component name, part number (both service and engineering/production), model and model year of the vehicle in which it is used and month/year of sale (including the cut-off date for sales, if applicable):

- a. Subject component; and
- b. Any kits that have been released, or developed, by Kia for use in service repairs to the subject component/assembly.

For each component part number, provide the supplier's name, address, and appropriate point of contact (name, title and telephone number). Also identify by make, model and model year, any other vehicles of which Kia is aware that contain the identical component, whether installed in production or in service, and state the applicable dates of production or service usage.

RESPONSE TO REQUEST NO. 10:

A chart identifying part sales by KMA is attached. See Tab E. Part 81610 2P000 is for the front glass and 81616 2P000 is for the rear glass. The original frame assembly part number is 81620 2P000. When the molding was changed on April 2, 2012, the frame part number was changed to 81620 1U000.

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The front and rear glass panel supplier is Guardian Industries Corp., 2300 Harmon Road, Auburn Hills, Michigan 48326. The point of contact is Kyle S. Krywko, Counsel. Mr. Krywko can be reached at 248-340-2231 or kkrywko@guardian.com.

The supplier of the panorama sunroof assembly is Webasto Product North America, Inc., 2201 Innovation Dr., Lexington, KY 40511. The point of contact is Keith Johnson, Vice President, Quality. Mr. Johnson can be reached at 248-997-5169 or keith.johnson@webasto.com.

No kits that have been released or developed for use in the service of repairs to the subject component.

There are no other Kia vehicles with the identical component as the 2011-2013MY Kia Sorento.

REQUEST NO. 11:

Furnish Kia's assessment of the alleged defect in the subject vehicle, including:

- a. The causal or contributory factor(s);
- b. The failure mechanism(s);
- c. The failure mode(s);
- d. The risk to motor vehicle safety that it poses; and
- e. What warnings, if any, the operator and the other persons both inside and outside the vehicle would have that the alleged defect was occurring or subject component was malfunctioning; and
- f. The reports included with this inquiry.

RESPONSE TO REQUEST NO. 11 (a)-(f):

Overview

Consistent with ODI's requests that manufacturers address potential safety issues as soon as possible after identifying them, Kia began evaluating Sorento Panorama glass breakage incidents beginning May 17, 2012. The resulting inquiries led KMC, Kia Motors Manufacturing Georgia, Inc. ("KMMG") and their suppliers, as well as KMA, to thoroughly evaluate a significant number of field incidents of breakage, as well as a review of the sunroof design and manufacturing processes, quality control and testing procedures. These efforts are documented in response to Request No. 8. Kia's investigation has at all times shown an absence of any manufacturing process, design or quality control defect issue with the Sorento Panorama sunroof system. In relation to field inspections of vehicles with broken sunroof glass, Kia has only identified one meaningful cause for the breakage, which is external impact from rocks or other foreign objects. This was supported either when evidence of impact with the glass or the metal roof immediately adjacent to the sunroof glass could be identified. In all other instances, no evidence of a defect was found, but the inspection results were inconclusive as to a cause for the breakage. This is a common problem with inspections related to tempered glass breakage since the nature of tempered glass is to break into small rounded nuggets which also destroys witness marks and other evidence of impact.

Kia has further identified that there were no incidents which led to a driver's loss of control when the tempered glass broke into many small pieces, regardless of whether the sunroof impact was accompanied by noise. Further, as would be expected, there have been no direct significant injuries

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from contact with the rounded tempered glass nuggets. This is due to the low mass and energy involved in tempered glass nuggets, most typically either causing no injury or in a few cases minor flecks of cuts. Kia reached a tentative conclusion that the breakage incidents were being caused by external impacts. It then researched NHTSA sunroof breakage investigations, including both manufacturer responses and NHTSA closing resumes. It then contacted NHTSA in June 2013 to determine if there was any further information it should be aware of regarding this issue.

Kia Analysis

Kia believes that, consistent with other NHTSA investigations, the most likely cause of the Sorento panorama sunroof breakage is a stone or sharp object impact against the glass, which occurs in periodic random events during vehicle movement. Two scenarios then result. If sufficient force in an appropriate location occurs, the contact by the foreign object with the sunroof may cause immediate roof breakage. A loud noise could accompany such breakage. In the alternative, the impact may cause latent damage which will then set up the sunroof for breakage when later events occur, any one or more of which may stress the glass to the point of breakage. Based on a review of incident reports, these events could include vibration caused by driving at high speeds, vibration from driving on rough roads or road disruptions such as railroad tracks, aerodynamic lift, changes in temperature, operation of the sunroof, track obstructions, and weather conditions such as hail or high winds. The dual nature of such breakage events has been commonly referenced in prior NHTSA investigations. Toyota Scion tC Closing Resume (PE06-024); GM Cadillac SRX Response to Request No. 12 (PE 05-052); Hyundai Veloster recall, Recall No. 12V568 (manufacturing assembly sunroof impacts caused later field breakage). Kia has also identified that aerodynamic lift has in certain instances affected the sunroof breakage pattern by pulling the previously damaged tempered glass up and away from the vehicle occupant compartment when the vehicle was traveling at high speeds.

Further support for external impact nature of the breakage can be identified in parts sales which show that the forward glass panel experiences a breakage rate which is approximately 3 times greater than the breakage rate for the rear glass panel. This is consistent with the proximity of the front glass to oncoming rocks and debris. A further indication of exposure to rocks and other objects may exist in the breakage claims rates in some rural and farming states. That is, the only claims rates which exceed 0.5% are found in Mississippi, Utah, Wyoming, Alaska and New Mexico (totaling 10 claims). No weather, temperature or geographic trends have been identified in the claims.

Sorento Panorama Sunroof Design and Use of Tempered Glass

The Sorento Panorama sunroof consists of two tempered glass panels set in a metal frame and positioned by moldings. The front section is a movable panel which is located approximately over the first and second row of seats and which opens by sliding rearwards and under a fixed rear panel. Under each panel is a movable sunshade. When the sunshade is closed, it catches any breaking tempered glass. The Panorama sunroofs are designed with existing technologies and manufacturing processes, consistent with sunroof designs as they have existed for many years. There are in fact no new technologies in the Panorama sunroofs to challenge engineers at either the supplier or vehicle manufacturer levels. Specifically, like most manufacturers, the Sorento tempered glass conforms to ANSI Z26.1 Type 3 tempered glass standard. This glass is in compression and has the capacity to withstand high breaking stresses before breakage. When it does break, the fracture spreads across the entire panel and disintegrates into small lightweight rounded nuggets without jagged edges or sharp shards, and which generate low velocity and force when contact occurs to an occupant. This type of glass has long been successful at preventing significant injuries when sunroof or moonroof breakage occurs, and it is carried over into the Panorama sunroofs.

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There have been NHTSA investigations into sunroofs, Ultraview (Panorama) sunroofs and moon roofs in recent years. These investigations have confirmed that the technology for such glass roofs is well established and highly consistent among glass suppliers, glass assembly suppliers and vehicle manufacturers. Although the Sorento sunroofs have a greater area than earlier sunroofs, their designs do not involve the application of new technologies. Thus, it is completely consistent that typical earlier sunroofs suffer breakage, but that occurs at a lower rate since they have a smaller potential impact area. The fronts of modern vehicle roofs also typically have a lower rake, thus potentially increasing the force of contact for objects hitting the front panel.

Testing

Supplier testing demonstrated compliance with all necessary strength and durability requirements. In response to KMA's request for support regarding field reports of sunroof glass breaking, Webasto conducted Rigidity and Excessive Load testing on 10/19/12 with the sunroof movable glass in a wide range of locations and positions, and all test results were satisfactory. Confirmatory testing of the sunroof glass strength has also been successfully conducted during the investigation of the sunroof breakage issue. In addition, sample sunroof glass pieces have been inspected by the glass supplier to search for glass damage, including scratches, pin holes, bubbles, fragments and chipping, and all inspection results were satisfactory. As a result of the field inspection process, Webasto also requested that Guardian evaluate the quality of tempered glass samples, conduct additional impact (drop ball) and ECE breakout tests, and conduct fracture weight and tensile strength tests. All evaluations and tests passed.

Manufacturing/Assembly/Quality Control

The Quality Control documentation for the receiving process of the sunroof glass has been reviewed and confirms that all quality control steps have been properly conducted and meet the glass specifications requirements. In addition, the assembly process at KMMG for installing the Panorama sunroof glass has been reviewed and evaluated by Kia with the suppliers. That review has confirmed there has been no history of damaged glass during assembly nor is any such damage occurring now. No changes to the assembly process at KMMG are required.

Projected Claims

The number of breakage incidents is currently extremely low. Kia has conducted a Weibull analysis for the Sorento breakage claims and determined that it will remain below 0.35% through 100,000 miles. This compares with a rate only just below 1.0% which GM identified for the Cadillac SRX Ultraview Investigation which NHTSA closed at the EA stage.

An item by item review of the VOQs is attached. See Tab F.

Conclusion

Kia has conducted an early and diligent investigation into Panorama sunroof breakage issues and had concluded in June 2013, when it voluntarily contacted NHTSA for possible sunroof information the Agency had, that the breakage incidents were occurring due to road object impacts. A further full analysis of this issue since Kia's receipt of your current IR letter has strengthened and confirmed that analysis. Kia believes the record is clear that there is no defect in the design, manufacturing, assembly,

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testing ore quality control of the Sorento Panorama sunroof. In addition, as with other investigations into sunroof and moonroof issues, there is no indication of any loss of control issue due to "startle" reactions by drivers. There is similarly no significant injury risk due to occupant contact by tempered glass nuggets. This is also consistent with prior investigations. It is due to the beneficial nature of tempered glass, which disintegrates into extremely small low mass and low velocity particles without sharp edges or shards. As a result, Kia believes that there is no unreasonable risk to highway safety present in connection with the Panorama sunroof breakage.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Babcock". The signature is fluid and cursive, with the first name "Robert" and last name "Babcock" clearly distinguishable.

Robert Babcock
Director, Regulation and Certification Department